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INFO RUCNCIS/CIS COLLECTIVE 0854
RUCNCLS/SOUTH AND CENTRAL ASIA COLLECTIVE
RUEHZN/EUROPEAN POLITICAL COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 0253
RUEHKO/AMEMBASSY TOKYO 0963
RUCNDT/USMISSION USUN NEW YORK 2077
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SENSITIVE
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STATE FOR SCA/CEN, EEB/ESC, SCA/PPD, EUR/CARC, DRL
STATE PLEASE PASS TO USTDA DAN STEIN

E.O. 12958: N/A

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KZ

SUBJECT: KAZAKHSTAN: PRESIDENTIAL ADMINISTRATION HEAD MUSIN
DISCUSSES GOALS FOR OSCE CHAIRMANSHIP, MADRID COMMITMENTS

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) SUMMARY: On November 24, the Ambassador met Aslan Musin, Head of the Presidential Administration, to discuss Kazakhstan's broad goals as Chairman-in-Office of the OSCE and the package of legislative amendments currently being reviewed by parliament. Other participants included Yerzhan Kazykhanov, Foreign Policy Advisor to the President, Murat Smagulov, U.S. Foreign Policy Analyst with the Presidential Administration's Foreign Policy Center, and Talgat Kaliyev, Director of the Ministry of Foreign Affairs' Department of the Americas. Musin said the government would be willing to share final drafts of amendments to legislation on political parties, election reform, and the media with the OSCE Advisory Commission, but it was unclear whether or not the government would allow the OSCE to review the documents before President Nazarbayev signs them into law. Musin acknowledged that there was no funding in this year's budget to contribute to the cost of transporting and storing spent nuclear fuel from the BN-350 breeder reactor, but he called this a high priority for the government and expects funds to be available in next year's budget. Overall, Musin stressed that Kazakhstan has always had a "dynamic, positive" bilateral relationship with the United States, but he pointedly requested U.S. government support for Kazakhstan's OSCE Chairmanship, assistance with WTO accession, and removal of Jackson-Vanik restrictions, which he labeled an "unnecessary anachronism." END SUMMARY.

CONGRATULATIONS ON THE U.S. PRESIDENTIAL ELECTIONS

¶3. (SBU) Throughout his formal yet cordial meeting with the Ambassador, Musin impressed one as a thoughtful observer and careful listener. His comments on the U.S. presidential election and global financial crisis were particularly noteworthy. He sincerely congratulated the Ambassador on the November 4 elections, saying, "the whole world was watching this dramatic campaign in the leading country of the world." Although Musin noted that Kazakhstan is a relatively young republic compared to the United States, he said with discernable pride that his country has accomplished a great

deal during the past 17 years in the areas of social, economic, and political development.

A CRISIS UNLIKE ANYTHING EVER EXPERIENCED

¶4. (SBU) Turning to the global financial crisis, Musin said that the Kazakhstani people "have never experienced anything like this before." He noted that the mentality and the memories of people in Kazakhstan are still strongly linked to their Soviet past. Although he acknowledged that times were tough under socialism, he said this is the first sustained economic crisis Kazakhstan has experienced as a capitalist country. Musin noted that Kazakhstan first felt financial tremors in August 2007, when the domestic banking sector overextended its external borrowing, and suggested that this experience helped prepare the country for the current crisis. "We had time to prepare and take action," he said. Musin was hopeful that Kazakhstan's quick and forceful response to the current financial crisis would prove effective, but he noted that the government of Kazakhstan alone could not manage the global crisis. "The solution must come from the place where the crisis started - in the United States." According to Musin, the lesson of the current crisis is that a free and open market cannot solve all possible problems. "The economy still needs the government's direction and involvement," he said.

GOALS FOR THE OSCE CHAIRMANSHIP

¶5. (SBU) When asked to define Kazakhstan's goals when it assumes the Chairman-in-Office of the OSCE in 2010, Musin said first how proud he and all Kazakhstans are that they were awarded this honor, calling it a milestone event for the new nation. Musin said Kazakhstan hoped to "show the world" that the country has met

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international standards and is willing and able to join -- and even lead -- important international organizations like the OSCE. He also said that Kazakhstan's chairmanship would introduce a new voice to the world stage and implied that Western countries could learn from the experience of Kazakhstan, an emerging, developing country that has deftly transformed its economy and society and is well-adapted to a rapidly changing world.

¶6. (SBU) Musin said that on November 24, parliament began discussing a package of legislative amendments submitted by the government to meet Kazakhstan's OSCE Madrid commitments, including proposed changes to laws governing political party registration, election procedures, religion, and the media. He acknowledged that it is "maybe a little uncomfortable" that there is just one party currently represented in parliament, but attributed that to a procedural flaw that the new legislation would address. When asked if the government would allow the OSCE's Advisory Commission to review the final amendments before President Nazarbayev signs them into law, Musin was non-committal, although he did say that, "if the OSCE thinks it is critical to issue an opinion, we will hear them out."

FUNDING "WILL BE FOUND" FOR SAFE STORAGE OF SPENT NUCLEAR FUEL

¶7. (SBU) When asked how the economic crisis has affected Kazakhstan's budget planning -- particularly funding for the transportation and storage of spent fuel from the BN-350 breeder reactor -- Musin acknowledged that the government unfortunately could not find the funds in this year's budget to cover its share of the costs of the program. He did, however, say that this is a high priority for the government and he has high hopes that funds will be available in next year's budget. "We will absolutely revisit this question," he said, adding, "I am certain this crisis will be solved. It is, after all, in our own national interest."

¶8. (SBU) Before adjourning, the Ambassador noted that he would soon travel to Washington for consultations and asked Musin if there was a message he wished to convey. Musin did not hesitate. He noted that Kazakhstan has always had "dynamic, positive" bilateral relations with the United States and said there are no current disagreements or misunderstandings between the two countries. However, he said, we need your help with three things. In quick

succession, he asked for U.S. government support for Kazakhstan's accession to the World Trade Organization, the elimination of the Jackson-Vanik requirements, which he dismissed as an "unnecessary anachronism," and ongoing support to Kazakhstan as it prepares to assume the role of Chairman-in-Office of the OSCE.

HOAGLAND